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S.A.

Moore & Van Allen

James H. Jeffries IV
Attorney at Law

T 704 331 1079
F 704 339 5879
jimjeffries@mvalaw.com

Moore & Van Allen PLLC

Suite 4700
100 North Tryon Street
Charlotte, NC 28202-4003

June 14, 2006

VIA UPS OVERNIGHT

Mr. Charles Terreni
Chief Clerk Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

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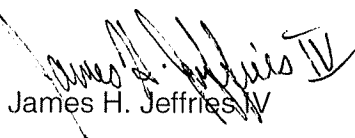
Re: Docket No. 2005-125-G: Notice of Election of Piedmont Natural Gas Company, Inc. for Application of the Natural Gas Rate Stabilization Act to its Rates and Charges

Dear Mr. Terreni:

Enclosed please find an original and 26 copies of the *Notice of Filing of Quarterly Monitoring Report and Proposed Rate Changes* in the docket shown above. Please accept the original and 25 copies for filing and return the additional "filed" stamped copy to me in the enclosed self-addressed stamped envelope.

Thank you for your assistance with this matter. If you have any questions about this filing you may reach me at the number shown above.

Sincerely,


James H. Jeffries IV

Enclosure

c: All Parties of Record

RETURN DATE: N/A
SERVICE: OK tod

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2005-125-G

In the Matter Of

Notice of Election of Piedmont Natural Gas
Company, Inc. for Application of the Natural
Gas Rate Stabilization Act to its Rates and
Charges

**NOTICE OF FILING OF QUARTERLY
MONITORING REPORT AND
PROPOSED RATE CHANGES**

Piedmont Natural Gas Company, Inc. ("Piedmont"), through counsel and pursuant to Sections 58-5-430 and 58-5-440 of the South Carolina Natural Gas Rate Stabilization Act ("Act"), hereby submits (1) its quarterly monitoring report for the twelve-month period ending March 31, 2006, and (2) the required revenue deficiency calculations and proposed changes to its tariff rates necessary to permit Piedmont the opportunity to earn the rate of return on common equity established in its last general rate case as specified in Section 58-5-420(1). Piedmont requests that the Public Service Commission of South Carolina ("Commission") review and accept the attached documents consistent with Sections 58-5-430 and 58-5-440 and issue an initial order approving the proposed rate changes set forth in this filing on or before October 15, 2006 in conformance with the procedures set forth in Section 58-5-455 of the Act.

In support of this filing, Piedmont respectfully shows unto the Commission as follows:

1. Any notices or other communications with respect to this matter should be sent to:

Jane Lewis-Raymond
Vice President and General Counsel
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, NC 28233
Telephone: (704) 731-4261

And

James H. Jeffries IV¹
Moore & Van Allen PLLC
Bank of America Corporate Center
100 North Tryon Street, Suite 4700
Charlotte, North Carolina 28202-4003
Telephone: (704) 331-1079

And

Kerry B. McTigue
Nelson Mullins Riley & Scarborough, LLP
1320 Main Street, Suite 1700
Columbia, South Carolina 29201
Telephone: (803) 255-9218

2. On April 25, 2005, Piedmont provided notice to the Commission of its election of the application of the terms of the Act to Piedmont's rates and charges for gas distribution services provided within the state of South Carolina. In conjunction with its election and as required by Sections 58-5-410 and 58-5-420, Piedmont requested that the Commission make findings and establish ongoing procedures as required to make prospective adjustments to Piedmont's base rates utilizing the rates, charges, revenues, expenses, capital structure, returns, and other matters established in Piedmont's most recent general rate proceeding in Docket No. 2002-63-G.

3. Consistent with its prior election for application of the Act to its rates and charges, and pursuant to the requirements of Section 58-5-430 of the Act, Piedmont has attached hereto various schedules constituting its quarterly monitoring report to the Commission for the twelve-month period ended March 31, 2006. In conformance with the requirements of Section 58-5-440 of the Act, Piedmont has also included in the schedules attached hereto the calculated revenue deficiency resulting from Piedmont's current rates. This deficiency results in a return on common equity under existing rates that is more than 650 basis points below that approved in Piedmont's last general rate case. The attached schedules also reflect proposed

¹ Mr. Jeffries has been previously admitted to practice before this Commission in this docket *pro hac vice* in conformance with the rules of the South Carolina Supreme Court.

rate revisions, calculated in conformance with the rate allocation principles approved in Piedmont's last general rate case, needed to return Piedmont's rate of return on common equity to the midpoint of the range specified by Section 58-5-420(1).

4. The Schedules attached hereto and incorporated herein by reference consist of the following:

- (1) Present Rate Schedules are incorporated herein by reference as filed in GCRM-118 effective February 1, 2006;
- (2) Proposed Rate Schedules;
- (3) Gas Plant at Original Cost;
- (4) Depreciation;
- (5) Materials and Supplies;
- (6) Cash Working Capital;
- (7) Net Operating Income and Return;
- (8) Pro Forma Revenues;
- (9) Proposed Revenues;
- (10) WNA Factors.

5. The *pro forma* revenue calculations shown on Schedule (7) indicate that \$10,387,852 in additional margin and \$861,234 in under-recovered demand costs is required to permit Piedmont the opportunity to earn a rate of return on equity equal to the approved rate of return on equity adopted in Docket No. 2002-63-G, Piedmont's last general rate case, and to recover one-hundred percent (100%) of its prudently incurred demand gas costs.

6. Based upon the calculations provided in Schedules (3)-(10), Piedmont proposes the changes to its tariff rates reflected in Schedule (2) hereto.

7. The rate/revenue increases proposed herein reflect a 5.35% overall increase in rates from the base rates approved in Commission Order No. 2005-567-(A) (dated October 21, 2005).

8. Consistent with the requirements of Sections 58-5-430 and 58-5-455, Piedmont is concurrently serving copies of this filing on the Office of Regulatory Staff, all parties of record to this proceeding and any other interested party that has requested in writing to receive such filings.

WHEREFORE, Piedmont Natural Gas Company, Inc. respectfully requests that the Commission accept and review Piedmont's quarterly monitoring report for the twelve-month period ended March 31, 2006 and issue an Initial Order approving Piedmont's proposed rate adjustments on or before October 15, 2006.

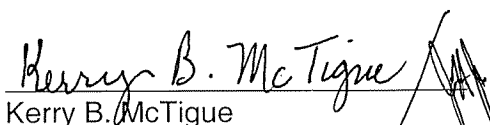
Respectfully submitted, this the 14th day of June, 2006

PIEDMONT NATURAL GAS COMPANY, INC.


James H. Jeffries IV

OF COUNSEL:

Moore & Van Allen PLLC
Bank of America Corporate Center
100 North Tryon Street, Suite 4700
Charlotte, North Carolina 28202-4003
(704) 331-1079


Kerry B. McTigue

OF COUNSEL:

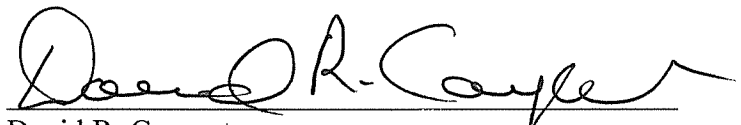
Nelson Mullins Riley & Scarborough, LLP
1320 Main Street, Suite 1700
Columbia, South Carolina 29201
(803) 255-9218

STATE OF NORTH CAROLINA

VERIFICATION

COUNTY OF MECKLENBURG

David R. Carpenter, being duly sworn, deposes and says that he is Director - Rates of Piedmont Natural Gas Company, Inc., that as such, he has read the foregoing Petition and knows the contents thereof; that the same are true of his own knowledge except as to those matters stated on information and belief and as to those he believes them to be true.


David R. Carpenter

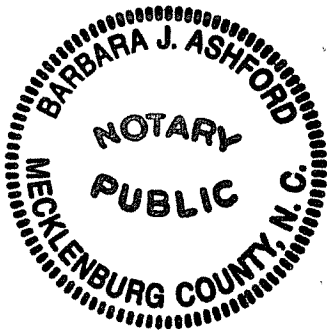
Mecklenburg County, North Carolina

Signed and sworn to before me this day by David R. Carpenter.

Date: June 14, 2006 Barbara J. Ashford

Barbara J. Ashford, Notary Public

My commission expires: Feb. 26, 2011



Piedmont Natural Gas
Index to Schedules
Period Ended March 31, 2006

- SCHEDULE 1 - Present rate schedules are incorporated herein by reference as filed in GCRM 118 effective February 1, 2006
- SCHEDULE 2 - Present and proposed rate schedules.
- SCHEDULE 3 - Gas plant at original cost.
- SCHEDULE 4 - Depreciation schedule.
- SCHEDULE 5- Materials and supplies.
- SCHEDULE 6 - Cash working capital
- SCHEDULE 7 - Net Operating Income and Return
- SCHEDULE 8 - Proforma revenues.
- SCHEDULE 9 - Proposed revenues.
- SCHEDULE 10 - WNA Factors.

Piedmont Natural Gas Company
 South Carolina
 Present and Proposed Rates
 March 31, 2006

		Present Rates	Proposed Rates
201	Residential - Value		
	Monthly Charge-Winter	10.00	10.00
	Monthly Charge-Summer	8.00	8.00
	Winter (Nov.-Mar.) Per Therm	1.27338	1.37149
	Summer (Apr.-Oct.) Per Therm	1.22840	1.31514
221	Residential - Standard		
	Monthly Charge-Winter	10.00	10.00
	Monthly Charge-Summer	8.00	8.00
	Winter (Nov.-Mar.) Per Therm	1.43614	1.54470
	Summer (Apr.-Oct.) Per Therm	1.42780	1.52617
205	Gas Lights - Unmetered		
	Monthly Charge Per Fixture	15.00	15.00
206	Emergency Service		
	Emergency Service Per Therm	\$1.00 + gas cost	\$1.00 + gas cost
	Unauthorized Over Run Penalty Per Therm	\$2.50 + gas cost	\$2.50 + gas cost
202	Small General Service-Standard		
	Monthly Charge	22.00	22.00
	Winter (Nov.-Mar.) Per Therm	1.35709	1.42953
	Summer (Apr.-Oct.) Per Therm	1.33040	1.39779
232	Small General Service-Value		
	Monthly Charge	22.00	22.00
	Winter (Nov.-Mar.) Per Therm		
	First 2,000	1.30583	1.37636
	Over 2,000	1.28126	1.34988
	Summer (Apr.-Oct.) Per Therm		
	First 2,000	1.22190	1.28619
	Over 2,000	1.19674	1.25982
252	Medium General Service-Standard		
	Monthly Charge	75.00	75.00
	Winter (Nov.-Mar.) Per Therm	1.36017	1.42780
	Summer (Apr.-Oct.) Per Therm	1.31551	1.37987
262	Medium General Service-Value		
	Monthly Charge	75.00	75.00
	Winter (Nov.-Mar.) Per Therm		
	First 5,000	1.28230	1.35038
	Over 5,000	1.25063	1.31747
	Summer (Apr.-Oct.) Per Therm		
	First 5,000	1.19715	1.26003
	Over 5,000	1.17520	1.23719

Piedmont Natural Gas Company
 South Carolina
 Present and Proposed Rates
 March 31, 2006

		Present Rates	Proposed Rates
242	General Service-Motor Fuel		
	Monthly Charge	22.00	22.00
	Winter (Nov.-Mar.) Per Therm	1.05575	1.08726
	Summer (Apr.-Oct.) Per Therm	1.05457	1.08898
203	Large General Service		
	Monthly Charge	250.00	250.00
	Billing Demand Per Therm	1.90000	1.90000
	Winter (Nov.-Mar.) Per Therm		
	First 15,000	1.09133	1.10446
	Next 15,000	1.03074	1.03991
	Next 75,000	0.98342	0.99055
	Next 165,000	0.93804	0.96058
	Next 330,000	0.89693	0.89693
	Over 600,000	0.86836	0.86836
	Summer (Apr.-Oct.) Per Therm		
	First 15,000	1.02438	1.02982
	Next 15,000	0.97927	0.98346
	Next 75,000	0.95062	0.95650
	Next 165,000	0.91947	0.94201
	Next 330,000	0.89193	0.89193
	Over 600,000	0.86836	0.86836
204	Interruptible Service		
	Monthly Charge	250.00	250.00
	Winter (Nov.-Mar.) Per Therm		
	First 15,000	1.13859	1.15581
	Next 15,000	1.07199	1.09149
	Next 75,000	1.01378	1.03477
	Next 165,000	0.98645	0.99234
	Next 330,000	0.93664	0.95397
	Over 600,000	0.90836	0.90836
	Summer (Apr.-Oct.) Per Therm		
	First 15,000	1.03406	1.03882
	Next 15,000	0.98641	0.99109
	Next 75,000	0.95132	0.95733
	Next 165,000	0.93215	0.93480
	Next 330,000	0.90693	0.90693
	Over 600,000	0.87836	0.87836

Piedmont Natural Gas Company
 South Carolina
 Present and Proposed Rates
 March 31, 2006

		Present Rates	Proposed Rates
213	Large General Service		
	Monthly Charge	250.00	250.00
	Standby Demand Per Therm	1.30000	1.30000
	Billing Demand Per Therm	0.60000	0.60000
	Winter (Nov.-Mar.) Per Therm		
	First 15,000	0.25191	0.25332
	Next 15,000	0.18675	0.18780
	Next 75,000	0.14020	0.14109
	Next 165,000	0.08804	0.11058
	Next 330,000	0.04693	0.04693
	Over 600,000	0.01836	0.01836
	Summer (Apr.-Oct.) Per Therm		
	First 15,000	0.17630	0.17871
	Next 15,000	0.12993	0.13187
	Next 75,000	0.10210	0.10355
	Next 165,000	0.05859	0.06807
	Next 330,000	0.04193	0.04193
	Over 600,000	0.01836	0.01836
214	Interruptible Service		
	Monthly Charge	250.00	250.00
	Winter (Nov.-Mar.) Per Therm		
	First 15,000	0.25232	0.25360
	Next 15,000	0.18714	0.18805
	Next 75,000	0.14052	0.14106
	Next 165,000	0.09377	0.09400
	Next 330,000	0.04686	0.04699
	Over 600,000	0.01836	0.01836
	Summer (Apr.-Oct.) Per Therm		
	First 15,000	0.17690	0.17914
	Next 15,000	0.13061	0.13231
	Next 75,000	0.10279	0.10385
	Next 165,000	0.07477	0.07531
	Next 330,000	0.04162	0.04179
	Over 600,000	0.01836	0.01836

Schedule 3

Piedmont Natural Gas Company
Original Cost of Property Used and Useful
in Public Service in South Carolina
March 31, 2006

<u>Line No.</u>	<u>Title of Account</u>	
1	Intangible Plant	\$146,199
2	Production Plant	227,545
3	Local Storage Plant	6,231,190
4	Transmission Plant	37,532,771
5	Distribution Plant	270,712,514
6	General Plant	<u>29,765,193</u>
7	Total	<u>\$344,615,411</u>

Piedmont Natural Gas Company
 South Carolina Operations
 Accumulated Depreciation, Depreciation Policy and Rates
March 31, 2006

Accumulated Depreciation

Per books as of March 31, 2006

\$124,515,520

Depreciation Policy

Piedmont computes depreciation expense monthly using the straight-line method applied to end-of-the-month depreciable costs.

The Company began booking depreciation expense at the depreciation rates recommended in a depreciation study performed in 2005. These depreciation rates were approved as a result of the Commission's findings in Docket No. 2005-125-G, Order No. 2005-567.

Piedmont allocates depreciation expense on the LNG plant located in North Carolina between South Carolina and North Carolina on the basis of design-day demand during the test period. We allocate depreciation expense on other jointly-used property between South Carolina, North Carolina and Tennessee or between South Carolina and North Carolina only, on the basis of net plant depending upon the actual usage of the property.

Piedmont computes depreciation expense on transportation equipment over estimated useful lives after deducting from the original cost an estimated salvage value of 25% for passenger cars and 20% for trucks and heavy equipment.

Depreciation Rates

Based on plant in service as of March 31, 2006, the current composite depreciation rates are:

Intangible Plant	20.00%
Production Plant	2.62%
Local Storage Plant	1.91%
Transmission Plant	2.10%
Distribution Plant	2.93%
General Plant	9.44%

Piedmont Natural Gas Company
South Carolina Operations
Average Materials and Supplies
March 31, 2006

Line
No.

1	Operating and Construction Supplies (a)	\$493,357
2	Natural Gas Stored (b)	<u>20,512,788</u>
3	Total	<u>\$21,006,145</u>

(a) Includes Materials Distribution Center inventory allocated to South Carolina on the ratio of South Carolina net plant before joint property to total South Carolina and North Carolina net plant before joint property as of March 31, 2006 (16.33% to SC).

(b) Allocated to South Carolina on the basis of design day in South Carolina and North Carolina for the twelve months ended March 31, 2006 (16.16% to SC).

Piedmont Natural Gas Company
 South Carolina Operations
 Cash Working Capital
March 31, 2006

Line No.		
1	One-Eighth (12.5%) of Operations and Maintenance Expenses	\$3,807,823
2	Cash Working Funds (a)	41,038
3	Prepayments (b)	265,514
4	Average Tax Accruals (deduct)	<u>1,481,716</u>
5	Total	<u>\$5,596,092</u>

(a) A portion allocated to South Carolina on the ratio of South Carolina net plant before joint property to total net plant before joint property as of March 31, 2006 (13.37% to SC) and a portion on the ratio of South Carolina net plant before joint property to total South Carolina and North Carolina net plant before joint property (16.33% to SC).

(b) Allocated to South Carolina on the ratio of South Carolina net plant before joint property to total net plant before joint property as of March 31, 2006 (13.37% to SC).

Piedmont Natural Gas Company
South Carolina Operations
Net Operating Income and Rate of Return
For the Twelve Months Ended March 31, 2006

	(1) Per Books	(2) Accounting and Pro Forma Adjustments	(3) After Accounting and Pro Forma Adjustments	(4) Adjustments for Proposed Margin Increase	(5) Adjustments for Demand Cost Under-Recovery	(6) After Adjustments for Proposed Rates
Operating Revenues						
1 Sale and Transportation of Gas	218,315,544	(\$8,157,553) (1)	\$210,157,991	\$10,387,852 (11)	\$861,234 (16)	\$221,407,077
2 Other Operating Revenues	858,857	0	858,857			858,857
3 Total Operating Revenues	219,174,401	(8,157,553)	211,016,848	10,387,852	861,234	222,265,934
Operating Expenses						
4 Cost of Gas	151,604,313	(12,904,079) (2)	138,700,234		853,351 (17)	139,553,585
5 Operations and Maintenance	30,462,587	1,139,613 (3)	31,602,200	95,958 (12)	7,883 (18)	31,706,040
6 Depreciation	10,819,056	630,075 (4)	11,449,132			11,449,132
7 General Taxes	6,521,305	336,074 (5)	6,857,380			6,857,380
8 State Income Taxes	61,749	778,444 (6)	840,193	514,595 (13)		1,354,788
9 Federal Income Taxes	4,920,414	643,515 (7)	5,563,929	3,422,055 (14)		8,985,984
10 Amortization of Investment Tax Credits	(60,805)		(60,805)			(60,805)
11 Total Operating Expenses	204,328,620	(9,376,358)	194,952,262	4,032,607	861,234	199,846,103
12 Net Operating Income	14,845,781	1,218,805	16,064,586	6,355,245	0	22,419,831
13 Interest on Customers' Deposits	(110,391)		(110,391)			(110,391)
14 Amortization of Debt Redemption Premium		(534) (8)	(14,873)			(14,873)
15 Allowance for Funds Used During Construction	460,324		460,324			460,324
16 Customer Growth	63,362	5,241 (9)	68,603	27,328 (15)		95,931
17 Net Operating Income for Return	15,244,738	\$1,223,512	\$16,468,250	\$6,382,572	\$0	\$22,850,822
Original Cost Rate Base						
18 Plant in Service	344,615,411		\$344,615,411			\$344,615,411
19 Accumulated Depreciation	(124,515,520)		(124,515,520)			(124,515,520)
20 Net Plant in Service	220,099,891		220,099,891			220,099,891
Add:						
21 Construction Work in Progress	9,349,299		9,349,299			9,349,299
22 Materials and Supplies	21,006,145		21,006,145			21,006,145
23 Cash Working Capital	5,596,092	142,452 (10)	5,738,543			5,738,543
Deduct:						
24 Customers' Advances	3,599		3,599			3,599
25 Customers' Deposits	3,441,239		3,441,239			3,441,239
26 Accumulated Deferred Income Taxes	31,058,898		31,058,898			31,058,898
27 Unclaimed Funds	373,722		373,722			373,722
28 Original Cost Rate Base	221,173,968	\$142,452	221,316,420			221,316,420
Rate of Return						
29 On Original Cost Rate Base	6.89%		7.44%			10.32%

Piedmont Natural Gas Company
South Carolina Operations
Return on Common Equity and Original
Cost Net Investment
For the Twelve Months Ended March 31, 2006

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Per Books	Accounting and Pro Forma Adjustments	Adjusted Capitalization	Ratio	Cost Net Investment	Embedded Cost	Overall Cost Rate	Net Operating Income
After Accounting and Pro Forma Adjustments								
1 Long-Term Debt	620,360,494	\$0	\$620,360,494	39.35%	\$87,096,465	6.82%	2.68%	\$5,939,108
2 Common Equity	956,006,163	0	\$956,006,163	60.65%	134,219,955	7.84%	4.76%	10,529,142
3 Total	1,576,366,656	\$0	\$1,576,366,656	100.00%	\$221,316,420		7.44%	\$16,468,250
After Adjustments for Proposed Rates								
4 Long-Term Debt					\$87,096,465	6.82%	2.68%	\$5,939,108
5 Common Equity					134,219,955	12.60%	7.64%	16,911,714
6 Total					\$221,316,420		10.32%	\$22,850,822

Piedmont Natural Gas Company
South Carolina Operations
Accounting and Pro Forma Adjustments
Twelve Months Ended March 31, 2006

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Line
No.

1	<u>Operating Revenues - Sale and Transportation of Gas</u> To decrease revenues to the going-level basis.	\$ (8,157,553) =====
2	<u>Cost of Gas</u> To decrease cost of gas to the going-level basis.	\$ (12,904,079) =====
3	<u>Operations and Maintenance Expenses</u>	
A	To increase payroll costs to the going-level basis.	\$760,993
B	To decrease expenses for the salary and payroll investment plans.	(6,404)
D	To decrease expenses for pension costs.	(41,068)
E	To increase expenses for the provision for uncollectible accounts to reflect actual net write-offs over a three-year period.	497,551
F	To decrease expenses for allocations to non-utility activities.	(22,803)
G	To increase expenses for the long-term incentive plan.	12,557
H	To decrease expenses for the short-term incentive plan.	(87,984)
I	To decrease expenses for the MVP incentive plan.	(14,390)
J	To increase expenses for group insurance for projected costs increases.	42,726
K	To increase expenses for Piedmont Town Center lease.	159,882
L	To decrease expenses for the South Carolina assessment fee.	(28,771)
M	To decrease expenses for non-allowables for ratemaking purposes.	(132,676)
	Total	----- \$1,139,613 =====
4	<u>Depreciation Expense</u> To increase depreciation expense to the going-level basis using recently completed depreciation study rates.	\$630,075 =====
5	<u>General Taxes</u>	
A	To increase property taxes to the going-level basis.	\$ 22,651
B	To increase payroll taxes to the going-level basis.	369,304
C	To decrease franchise taxes to the going-level basis.	(63,102)
D	To increase other taxes to the going-level basis.	7,221
	Total	----- \$ 336,074 =====

Piedmont Natural Gas Company
South Carolina Operations
Accounting and Pro Forma Adjustments
Twelve Months Ended March 31, 2006

Schedule 7
Page 4 of 5

Line
No.

6	<u>State Income Taxes</u> To increase state income taxes (rate of 5%) following a computation after accounting and pro forma adjustments.	\$778,444 =====
7	<u>Federal Income Taxes</u> To increase federal income taxes (rate of 35%) following a computation after accounting and pro forma adjustments.	\$643,515 =====
8	<u>Amortization of Debt Redemption Premium</u> To decrease net operating income for amortization of debt redemption premium.	(\$534) =====
9	<u>Customer Growth</u> To increase net operating income to reflect anticipated customer growth (rate of .43%) following the adjustments to operating revenues and expenses.	\$5,241 =====
10	<u>Cash Working Capital</u> To increase cash working capital following the pro forma adjustments to operations and maintenance expenses (rate of 12.5%).	\$142,452 =====
11	<u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenues for the sale and transportation of gas for proposed margin increase before demand cost under-recovery.	\$10,387,852 =====
12	<u>Operations and Maintenance Expenses</u>	
A	To increase the provision for uncollectible accounts (rate of .62563%) following the adjustments to operating revenues.	\$64,989
B	To increase the utility license fee (rate of .30%) following the adjustments to operating revenues.	30,969 -----
	Total	\$95,958 =====

Piedmont Natural Gas Company
South Carolina Operations
Accounting and Pro Forma Adjustments
Twelve Months Ended March 31, 2006

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Line
No.

13	<u>State Income Taxes</u> To increase state income taxes (rate of 5%) following the adjustments to operating revenues and expenses.	\$514,595 =====
14	<u>Federal Income Taxes</u> To increase federal income taxes (rate of 35%) following the adjustments to operating revenues, expenses and state income taxes.	\$3,422,055 =====
15	<u>Customer Growth</u> To increase net operating income to reflect anticipated customer growth (rate of .43%) following the adjustments to operating revenues and expenses.	 \$27,328 =====
16	<u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenue requirement for the sale and transportation of gas associated with the demand cost under-recovery.	\$861,234 =====
17	<u>Cost of Gas</u> To increase cost of gas for the demand cost under-recovery.	\$853,351 =====
18	<u>Operations and Maintenance Expenses</u>	
A	To increase the provision for uncollectible accounts (rate of .62563%) following the adjustment to operating revenues.	\$5,339
B	To increase the utility license fee (rate of .30%) following the adjustment to operating revenues.	\$2,544
	Total	----- \$7,883 =====

PIEDMONT NATURAL GAS COMPANY, INC.

PRO FORMA REVENUE CALCULATIONS

Page 1 of 3

(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Proforma Dekatherms (5)	Proforma Bills (6)	Clean Rates (7)	Proforma Revenue (8)
Residential Service - Value 201						
Bills - Winter	251,253			251,253	\$10.00	\$2,512,530
Bills - Summer	363,175			363,175	\$8.00	\$2,905,400
DTs - Winter	2,546,968	231,159	2,778,127		\$12.7338	\$35,376,114
DTs - Summer	1,091,047	62,992	1,154,039		\$12.2840	\$14,176,214
Residential Service - Standard 221						
Bills - Winter	312,631			312,631	\$10.00	\$3,126,310
Bills - Summer	406,629			406,629	\$8.00	\$3,253,032
DTs - Winter	2,307,684	240,069	2,547,752		\$14.3614	\$36,589,286
DTs - Summer	615,356	51,887	667,243		\$14.2780	\$9,526,896
<u>TOTAL RESIDENTIAL</u>						
Bills	1,333,688			1,333,688		
DT's	6,561,055	586,106	7,147,161			\$107,465,782
Small General Service - Standard 202						
Bills	121,914			121,914	\$22.00	\$2,682,108
DTs - Winter	1,629,173	155,961	1,785,134		\$13.5709	\$24,225,876
DTs - Summer	384,629	56,290	440,918		\$13.3040	\$5,865,979
Small General Service - Value 232						
Bills	44,273			44,273	\$22.00	\$974,006
First 200	914,655	37,844	952,499		\$13.0583	\$12,438,018
<u>Over 200</u>	<u>257,650</u>	<u>10,660</u>	<u>268,311</u>		\$12.8126	\$3,437,757
DTs - Winter	1,172,305	48,505	1,220,810			
First 200	1,020,253	8,070	1,028,323		\$12.2190	\$12,565,074
<u>Over 200</u>	<u>139,409</u>	<u>1,103</u>	<u>140,512</u>		\$11.9674	\$1,681,561
DTs - Summer	1,159,662	9,172	1,168,834			
Medium General Service - Standard 252						
Bills	270			270	\$75.00	\$20,250
DTs - Winter	169,467	7,228	176,695		\$13.6017	\$2,403,352
DTs - Summer	40,439	12,137	52,576		\$13.1551	\$691,646
Medium General Service - Value 262						
Bills	991			991	\$75.00	\$74,325
First 500	192,505	4,243	196,748		\$12.8230	\$2,522,895
<u>Over 500</u>	<u>251,414</u>	<u>5,541</u>	<u>256,955</u>		\$12.5063	\$3,213,555
DTs - Winter	443,918	9,784	453,703			
First 500	246,760	4,851	251,611		\$11.9715	\$3,012,161
<u>Over 500</u>	<u>185,189</u>	<u>3,641</u>	<u>188,830</u>		\$11.7520	\$2,219,125
DTs - Summer	431,949	8,492	440,441			

PIEDMONT NATURAL GAS COMPANY, INC.

SCHEDULE 8

PRO FORMA REVENUE CALCULATIONS

Page 2 of 3

(dekatherms)	Test Period Actual (1)	Normalized Adjustment (2)	Proforma Dekatherms (5)	Proforma Bills (6)	Clean Rates (7)	Proforma Revenue (8)
Rate Schedule						
Small General Service - Motor Fuel 242						
Bills	24			24	\$22.00	\$528
DTs - Winter	1,078		1,078		\$10.5575	\$11,383
DTs - Summer	1,613		1,613		\$10.5457	\$17,005

TOTAL COMMERCIAL

Bills	167,472			167,472		
DT's	5,434,232	307,570	5,741,802			\$78,056,604

Large General Service - Sales 203

Bills	89			89	\$250.00	\$22,250
Demand DT'S	18,529			18,529	\$19.00000	\$352,055
First 1,500	50,776	0	50,776		\$10.9133	\$554,134
Next 1,500	35,346	0	35,346		\$10.3074	\$364,325
Next 7,500	33,762	0	33,762		\$9.8342	\$332,022
Next 16,500	0	1	0		\$9.3804	\$0
Next 33,000	0	0	0		\$8.9693	\$0
<u>Over 60,000</u>	0	0	0		\$8.6836	\$0
DTs - Winter	119,884		119,884			
First 1,500	69,768	0	69,768		\$10.2438	\$714,689
Next 1,500	33,173	0	33,173		\$9.7927	\$324,853
Next 7,500	12,600	0	12,600		\$9.5062	\$119,778
Next 16,500	0	0	0		\$9.1947	\$0
Next 33,000	0	0	0		\$8.9193	\$0
<u>Over 60,000</u>	0	0	0		\$8.6836	\$0
DTs - Summer	115,541		115,541			

Large General Service - Transportation 213

Bills	485			485	\$250.00	\$121,250
Demand DT'S	109,003			109,003	\$6.00000	\$654,019
Standby DT's				-	\$13.00000	\$0
First 1,500	296,032	0	296,032		\$2.5191	\$745,734
Next 1,500	219,704	0	219,704		\$1.8675	\$410,297
Next 7,500	229,721	0	229,721		\$1.4020	\$322,069
Next 16,500	2,465	0	2,465		\$0.8804	\$2,170
Next 33,000	0	0	0		\$0.4693	\$0
<u>Over 60,000</u>	0	0	0		\$0.1836	\$0
DTs - Winter	747,922		747,922			
First 1,500	395,956	0	395,956		\$1.7630	\$698,070
Next 1,500	257,125	0	257,125		\$1.2993	\$334,083
Next 7,500	299,769	0	299,769		\$1.0210	\$306,064
Next 16,500	10,749	0	10,749		\$0.5859	\$6,298
Next 33,000	0	0	0		\$0.4193	\$0
<u>Over 60,000</u>	0	0	0		\$0.1836	\$0
DTs - Summer	963,599		963,599			

PIEDMONT NATURAL GAS COMPANY, INC.

SCHEDULE 8

PRO FORMA REVENUE CALCULATIONS

Page 3 of 3

(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Proforma Dekatherms (5)	Proforma Bills (6)	Clean Rates (7)	Proforma Revenue (8)
Interruptible Service - Sales 204						
Bills	289			289	\$250.00	\$72,250
First 1,500	114,541	0	114,541		\$11.3859	\$1,304,152
Next 1,500	68,857	0	68,857		\$10.7199	\$738,140
Next 7,500	90,880	0	90,880		\$10.1378	\$921,323
Next 16,500	78,598	0	78,598		\$9.8645	\$775,330
Next 33,000	3,207	1	3,207		\$9.3664	\$30,038
<u>Over 60,000</u>	0	0	0		\$9.0836	\$0
DTs - Winter	356,083	1	356,083			
First 1,500	204,287	0	204,287		\$10.3406	\$2,112,450
Next 1,500	122,561	0	122,561		\$9.8641	\$1,208,954
Next 7,500	127,847	0	127,847		\$9.5132	\$1,216,234
Next 16,500	59,368	0	59,368		\$9.3215	\$553,399
Next 33,000	0	0	0		\$9.0693	\$0
<u>Over 60,000</u>	0	0	0		\$8.7836	\$0
DTs - Summer	514,063		514,063			
Interruptible Service - Transportation 214						
Bills	710			710	\$250.00	\$177,500
First 1,500	376,766	0	376,766		\$2.5232	\$950,656
Next 1,500	316,328	0	316,328		\$1.8714	\$591,976
Next 7,500	631,502	0	631,502		\$1.4052	\$887,387
Next 16,500	282,408	0	282,408		\$0.9377	\$264,814
Next 33,000	36,169	0	36,169		\$0.4686	\$16,949
<u>Over 60,000</u>	8,949	0	8,949		\$0.1836	\$1,643
DTs - Winter	1,652,122		1,652,122			
First 1,500	512,497	0	512,497		\$1.7690	\$906,608
Next 1,500	386,769	0	386,769		\$1.3061	\$505,159
Next 7,500	777,790	0	777,790		\$1.0279	\$799,490
Next 16,500	272,775	0	272,775		\$0.7477	\$203,954
Next 33,000	55,360	0	55,360		\$0.4162	\$23,041
<u>Over 60,000</u>	0	0	0		\$0.1836	\$0
DTs - Summer	2,005,191	0	2,005,191			
<u>TOTAL INDUSTRIAL</u>						
Bills	1,573			1,573		
Demand	127,532			127,532		
DT's	6,474,405	1	6,474,405			
						\$20,645,607
Outdoor Gaslight Service - Rate 205						
Fixtures	48		48		\$15.00	\$720
DTs - Winter	16		16			
DTs - Summer	22		22			
Annual Revenues From Special Contracts					\$	3,989,278
TOTAL BILLS	1,502,733			1,502,733		
TOTAL WINTER	11,146,620	692,707	11,839,325			
TOTAL SUMMER	<u>7,323,110</u>	<u>200,970</u>	<u>7,524,080</u>			
ANNUAL TOTAL	18,469,730	893,677	19,363,406		REVENUE	<u>\$210,157,991</u>

PIEDMONT NATURAL GAS COMPANY, INC.
PROPOSED REVENUE CALCULATIONS

SCHEDULE 9

Page 1 of 3

(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Proforma Dekatherms (5)	Proforma Bills (6)	Proposed Rate	Proposed Revenue
Residential Service - Value 201						
Bills - Winter	251,253			251,253	\$ 10.00	\$ 2,512,530
Bills - Summer	363,175			363,175	\$ 8.00	\$ 2,905,400
DTs - Winter	2,546,968	231,159	2,778,127		13.7149	38,101,734
DTs - Summer	1,091,047	62,992	1,154,039		13.1514	15,177,227
Residential Service - Standard 221						
Bills - Winter	312,631			312,631	\$ 10.00	\$ 3,126,310
Bills - Summer	406,629			406,629	\$ 8.00	\$ 3,253,032
DTs - Winter	2,307,684	240,069	2,547,752		15.4470	39,355,125
DTs - Summer	615,356	51,887	667,243		15.2617	10,183,262
<u>TOTAL RESIDENTIAL</u>						
Bills	1,333,688			1,333,688		
DT's	6,561,055	586,106	7,147,161	111,141		\$114,614,621
Small General Service - Standard 202						
Bills	121,914			121,914	\$ 22.00	2,682,108
DTs - Winter	1,629,173	155,961	1,785,134		14.2953	25,519,027
DTs - Summer	384,629	56,290	440,918		13.9779	6,163,114
Small General Service - Value 232						
Bills	44,273			44,273	\$ 22.00	974,006
First 200	914,655	37,844	952,499		13.7636	13,109,816
Over 200	<u>257,650</u>	<u>10,660</u>	<u>268,311</u>		13.4988	3,621,871
DTs - Winter	1,172,305	48,505	1,220,810			
First 200	1,020,253	8,070	1,028,323		12.8619	13,226,183
Over 200	<u>139,409</u>	<u>1,103</u>	<u>140,512</u>		12.5982	1,770,196
DTs - Summer	1,159,662	9,172	1,168,834			
Medium General Service - Standard 252						
Bills	270			270	\$ 75.00	20,250
DTs - Winter	169,467	7,228	176,695		14.2780	2,522,851
DTs - Summer	40,439	12,137	52,576		13.7987	725,484
Medium General Service - Value 262						
Bills	991			991	\$ 75.00	74,325
First 500	192,505	4,243	196,748		13.5038	2,656,840
Over 500	<u>251,414</u>	<u>5,541</u>	<u>256,955</u>		13.1747	3,385,304
DTs - Winter	443,918	9,784	453,703			
First 500	246,760	4,851	251,611		12.6003	3,170,374
Over 500	<u>185,189</u>	<u>3,641</u>	<u>188,830</u>		12.3719	2,336,181
DTs - Summer	431,949	8,492	440,441			

PIEDMONT NATURAL GAS COMPANY, INC.
PROPOSED REVENUE CALCULATIONS

SCHEDULE 9

Page 2 of 3

(dekatherms)	Test Period Actual (1)	Normalized Adjustment (2)	Proforma Dekatherms (5)	Proforma Bills (6)	Proposed Rate	Proposed Revenue
Rate Schedule						
Small General Service - Motor Fuel 242						
Bills	24			24	\$ 22.00	528
DTs - Winter	1,078		1,078		10.8726	11,723
DTs - Summer	1,613		1,613		10.8898	17,560
<u>TOTAL COMMERCIAL</u>						
Bills	167,472			167,472		
DT's	5,434,232	307,570	5,741,802			\$81,987,739
Large General Service - Sales 203						
Bills	89			89	\$ 250.00	22,250
Demand DT'S	18,529			18,529	\$ 19.00	352,055
First 1,500	50,776	0	50,776		11.0446	560,801
Next 1,500	35,346	0	35,346		10.3991	367,567
Next 7,500	33,762	0	33,762		9.9055	334,429
Next 16,500	0	1	0		9.6058	-
Next 33,000	0	0	0		8.9693	-
<u>Over 60,000</u>	0	0	0		8.6836	-
DTs - Winter	119,884		119,884			
First 1,500	69,768	0	69,768		10.2982	718,485
Next 1,500	33,173	0	33,173		9.8346	326,243
Next 7,500	12,600	0	12,600		9.5650	120,519
Next 16,500	0	0	0		9.4201	-
Next 33,000	0	0	0		8.9193	-
<u>Over 60,000</u>	0	0	0		8.6836	-
DTs - Summer	115,541		115,541			
Large General Service - Transportation 213						
Bills	485			485	\$ 250.00	121,250
Demand DT'S	109,003			109,003	\$ 6.00	654,019
Standby DT's				-	\$ 13.00	0
First 1,500	296,032	0	296,032		2.5332	749,908
Next 1,500	219,704	0	219,704		1.8780	412,604
Next 7,500	229,721	0	229,721		1.4109	324,113
Next 16,500	2,465	0	2,465		1.1058	2,726
Next 33,000	0	0	0		0.4693	-
<u>Over 60,000</u>	0	0	0		0.1836	-
DTs - Winter	747,922		747,922			
First 1,500	395,956	0	395,956		1.7871	707,613
Next 1,500	257,125	0	257,125		1.3187	339,071
Next 7,500	299,769	0	299,769		1.0355	310,411
Next 16,500	10,749	0	10,749		0.6807	7,317
Next 33,000	0	0	0		0.4193	-
<u>Over 60,000</u>	0	0	0		0.1836	-
DTs - Summer	963,599		963,599			

PIEDMONT NATURAL GAS COMPANY, INC.
PROPOSED REVENUE CALCULATIONS

SCHEDULE 9

Page 3 of 3

(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Proforma Dekatherms (5)	Proforma Bills (6)	Proposed Rate	Proposed Revenue
Interruptible Service - Sales 204						
Bills	289			289	\$ 250.00	72,250
First 1,500	114,541	0	114,541		11.5581	1,323,876
Next 1,500	68,857	0	68,857		10.9149	751,567
Next 7,500	90,880	0	90,880		10.3477	940,399
Next 16,500	78,598	0	78,598		9.9234	779,959
Next 33,000	3,207	1	3,207		9.5397	30,594
<u>Over 60,000</u>	0	0	0		9.0836	-
DTs - Winter	356,083	1	356,083			
First 1,500	204,287	0	204,287		10.3882	2,122,174
Next 1,500	122,561	0	122,561		9.9109	1,214,690
Next 7,500	127,847	0	127,847		9.5733	1,223,918
Next 16,500	59,368	0	59,368		9.3480	554,972
Next 33,000	0	0	0		9.0693	-
<u>Over 60,000</u>	0	0	0		8.7836	-
DTs - Summer	514,063		514,063			
Interruptible Service - Transportation 214						
Bills	710			710	\$ 250.00	177,500
First 1,500	376,766	0	376,766		2.5360	955,479
Next 1,500	316,328	0	316,328		1.8805	594,855
Next 7,500	631,502	0	631,502		1.4106	890,797
Next 16,500	282,408	0	282,408		0.9400	265,464
Next 33,000	36,169	0	36,169		0.4699	16,996
<u>Over 60,000</u>	8,949	0	8,949		0.1836	1,643
DTs - Winter	1,652,122		1,652,122			
First 1,500	512,497	0	512,497		1.7914	918,088
Next 1,500	386,769	0	386,769		1.3231	511,734
Next 7,500	777,790	0	777,790		1.0385	807,735
Next 16,500	272,775	0	272,775		0.7531	205,427
Next 33,000	55,360	0	55,360		0.4179	23,135
<u>Over 60,000</u>	0	0	0		0.1836	-
DTs - Summer	2,005,191	0	2,005,191			
<u>TOTAL INDUSTRIAL</u>						
Bills	1,573			1,573		
Demand	127,532			127,532		
DT's	6,474,405	1	6,474,405			\$20,814,630
Outdoor Gaslight Service - Rate 205						
Fixtures	48		48		15.0000	720
DTs - Winter	16		16			
DTs - Summer	22		22			
Annual Revenues From Special Contracts						3,989,278
TOTAL BILLS	1,502,733			1,502,733		
TOTAL WINTER	11,146,620	692,707	11,839,325			
TOTAL SUMMER	7,323,110	200,970	7,524,080			
ANNUAL TOTAL	18,469,730	893,677	19,363,406			\$221,406,988

Piedmont Natural Gas Company
 South Carolina
 March 31, 2006

SCHEDULE 10

WNA Factors

	Base Rate (\$/therms)	Demand (\$/therms)	Commodity	"R" Value (\$/therms)	Heat Factor (therms/DDD)	Base Factor (therms/mo.)
Residential						
Value Rate	1.37149	0.01986	0.86836	0.48327	0.16175	20.18998
Standard Rate	1.54470	0.19307	0.86836	0.48327	0.13388	6.57588
Commercial						
Rate 202	1.42953	0.18133	0.86836	0.37984	0.57809	21.19380
Rate 232						
First 2,000 therms	1.37636	0.12816	0.86836	0.37984	0.44019	418.97034
Over 2,000 therms	1.34988	0.10168	0.86836	0.37984	0.44019	418.97034
Rate 252	1.42780	0.17960	0.86836	0.37984	24.15673	1795.14597
Rate 262						
first 5,000 therms	1.35038	0.10218	0.86836	0.37984	6.14478	7313.18207
over 5,000 therms	1.31747	0.06927	0.86836	0.37984	6.14478	7313.18207

CERTIFICATE OF SERVICE

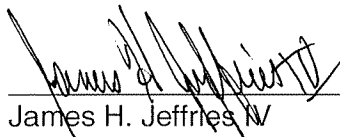
The undersigned hereby certifies that five copies of the attached Notice are being served this date via overnight delivery upon:

Office of Regulatory Staff
1441 Main Street
Suite 300
Columbia, South Carolina

And that one copy of the attached Notice is being served this date on the other parties to this proceeding by U.S. Mail addressed as follows:

Scott Elliott
South Carolina Energy Users Committee
Elliott & Elliott, P.A.
721 Olive Street
Columbia, South Carolina 29205

This the 14th day of June, 2006.


James H. Jeffries IV